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NOLAND, HANERLY, ETIENNE & HOSS  
ATTORNEYS AT LAW  
SALINAS, CALIFORNIA

BEFORE THE STATE WATER  
RESOURCES CONTROL BOARD

In the Matter of the State Water Resources  
Control Board (State Water Board), Order  
No. 2008-00XX-DWR: Hearing to  
Determine Whether to Adopt a Draft Cease  
and Desist Order Against California  
American Water from the Carmel River in  
Monterey County Under Order WR 95-10

Hearing Date: July 23, 2008  
Carmel River in Monterey County

TESTIMONY OF MARK BASTIS

General Manager

Hyatt Regency Monterey Resort in Monterey, California

1 My name is Mark Bastis. I am the General Manager of the Hyatt Regency Monterey  
2 Resort located at One Old Golf Course Road, Monterey, California. I have had 26 years of  
3 experience in the management and operation of hotels and am currently the President Elect of the  
4 Monterey County Hospitality Association. Attached as **Exhibit 1** is a resume of my experience.

5 I present the following testimony in opposition to the "Cease and Desist Order" as  
6 presently articulated by the State Water Resources Control Board in its application to the Service  
7 Area of the California American Water Company (Cal Am):  
8

9 The Hospitality industry on the Monterey Peninsula area is extremely event-driven, and  
10 although we have an annual occupancy rate of approximately 65% per year, it's a combination of  
11 very busy periods or very slow periods that combine for that annual occupancy rate. The website  
12 of the Monterey County Visitors and Convention Bureau ( <http://www.montereyinfo.org/> ) lists  
13 events going on each weekend throughout the year. If it is not a music festival - jazz festival,  
14 blues festival, reggae festival, motorcycle race, car race, car show, it's the wine festival, the Bach  
15 festival or whatever. The fact is that tourist enterprise in the Monterey area is a very event-driven  
16 destination. This includes Carmel, Seaside and the other cities located in the area with facilities  
17 which could be comparable to ours and having water service from California American Water  
18 Company.  
19

20 To take our enterprise as an example, the Hyatt has 550 rooms. There are 365 days per  
21 year. If we run 70% occupancy for the year, that's 140,525 room nights; and at 60%, it's almost  
22 86,625 room nights per year. That is just for our hotel alone. Group business is the economic  
23 driver for all service hotels. I believe it entirely reasonable to state under penalty of perjury that  
24 the other major hotels in the area have substantially similar percentages. I include in the group  
25 the Marriott, the Portola Plaza, the Monterey Plaza, Embassy Suites, Pebble Beach, Carmel  
26 Valley Ranch, etc. As members of the Monterey County Hospitality Association, we have all  
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1 worked hard to promote conservation of water.

2 All of us have adopted policies designed to conserve water. That consists of low flow  
3 showerheads, faucets, toilets, urinals – all designed to conserve water. As examples, we have  
4 automatic sensor shutoff water faucets in the common area restrooms, automatic sensor flush with  
5 low-volume urinals in common area restrooms, low flow toilets in guest rooms (Hyatt and Carmel  
6 Valley Ranch have also begun putting in new no-flow toilets), low flow showerheads in  
7 guestrooms, low flow faucets in guestrooms, tent card in restrooms asking the occupants to  
8 conserve water by not changing bedding on a daily basis, etc. Some operators have food scrapers  
9 that recycle water before going to a reverse flow dishwashing machine that recycles rinse water to  
10 prewash. In addition we have designed our exterior to provide low impact landscaping. We only  
11 supply water in our restaurant facilities upon request of the individual guests.  
12

13 Implementation of the Cease and Desist Order as it is presently phrased would cause an  
14 immediate lowering and tremendous lessening of the occupancy of not only our hotel, but all of  
15 the hotels in the Cal Am service area. Without water, we can house no guests. It would have an  
16 industry-wide impact. For example, if our water got shut off after we used 50% of what we use  
17 today, we would have to shut 50% of our rooms. That would mean that we would have to reduce  
18 our employees by 50%. It further means that what guests spend out in the community is also cut  
19 50%. We have 400 employees at this hotel alone. In addition to the foregoing, the tenancy  
20 occupancy tax generated to fund operations for the County would be seriously and significantly  
21 reduced. Attached hereto is **Exhibit 2** showing the TOT collections for the years 2005, 2006 and  
22 2007. The TOT is generated strictly off room occupancy. It does not include taxes collected  
23 from restaurants, etc.  
24

25  
26 Monterey County Hospitality Association members include not only full service hotels,  
27 but also limited service hotels, restaurants, transportation companies and so forth. Consequently,  
28

1 the implementation of the Cease and Desist Order would not only cause a huge loss of jobs as far  
2 as hotels are concerned, but also related entities that are functional in the hospitality industry.

3 We have approximately 260 member organizations and member companies, belonging to  
4 the Hospitality Association. 62.6%, or over half of the membership, are businesses that are not  
5 directly associated with the hospitality industry. For example, Harley dealers, dermatologists,  
6 doctors are a few of a number of member companies that fund their operations through the  
7 hospitality business. Further examples of such businesses in addition to the above referenced  
8 would be gas stations, car washes, and dry cleaning establishments. The businesses that supply  
9 goods and services, either consumed or necessary to the operation of the hospitality industry,  
10 comprise a substantial proportion of jobs on the Monterey Peninsula. Moreover, since the  
11 Monterey Peninsula contains many of the hotel and other residential facilities used a base for  
12 tourism to other areas of Monterey County, the imposition of the Order would create havoc  
13 throughout Monterey County.  
14

15 Just as an example to underscore the situation, by implementation of the Cease and Desist  
16 Order, we have 400 employees at the Hyatt Regency. Pebble Beach has approximately 1000,  
17 Monterey Plaza a couple hundred. All of the individuals employed by our organizations need  
18 services such as medical and dental, clothing and grocery shopping, phone and/or cell phone  
19 services, child care services and items on ad infinitum.  
20


21 To recap, the hospitality industry over the last ten years has worked to reduce water  
22 consumption in their guest rooms by low-flow toilets, low-flow showerheads, low-flow faucet  
23 aerators, and offering guests laundry reuse of linens and towels. The hospitality industry has also  
24 worked to conserve water in their public areas by installing low-flow or no-water use urinals, low  
25 water use toilets or whatever I said before, and low-flow faucet aerators. The hospitality industry  
26 has also worked to reduce water (usage) in our restaurants by offering water on request to our  
27  
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1 patrons only. The hospitality industry has also worked to conserve water by outsourcing their  
2 laundry operations. And finally, the hospitality industry has worked to conserve water by  
3 reducing consumption for landscaping needs through many different methods.

4 In short, the imposition of the Order as it is presently articulated would be an economic  
5 disaster for this area, and affect the lives of thousands of individuals presently gainfully employed  
6 in and outside of the Cal Am service area.  
7

8 I, Mark Bastis, declare under penalty of perjury that I have read the foregoing "Testimony  
9 of Mark Bastis" and know its contents. The matters stated in it are true of my knowledge except  
10 as to those matters which are stated on information and belief, and as to those matters I believe  
11 them to be true.

12 Executed on July 9, 2008 at Monterey, California.

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16 By: Mark Bastis  
17 General Manager  
18 Hyatt Regency Monterey Resort  
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Mark F. Bastis  
Hyatt Regency Monterey Resort  
1 Old Golf Course Road  
Monterey, California 93940  
(831) 657-6500

Work Experience Highlights

Hyatt Hotels Corporation  
February 1982 to Present

Hyatt Regency Monterey Resort

General Manager

July 2005 to present

- Coordinated extensive \$55m renovation
- Managed amalgamation of Highlands Inn Food & Beverage operations
- Improved safety record consecutive years
- President Elect Monterey County Hospitality Association, 2008

Hyatt Regency Grand Cayman Resort & Villas

General Manager

March 2001 to July 2005

- Managed ownership transition.
- Managed resort through hurricane and future transition.
- Nominated General Manager of the Year, 2001 and 2004.
- President Cayman Islands Tourism Association 2003-2005

Hyatt West Hollywood

General Manager

July 1999 to March 2001

- Managed \$7 million renovation encompassing the meeting space, restaurant, bar, lobby and porte corte.
- Achieved record operating performance including highest average rate and total hotel revenues.
- Improved Employee Opinion Survey ranking from 61 to 31.
- Dramatically improved lost time record for hotel.

Hyatt Regency Kauai Resort & Spa

Executive Assistant Manager - Rooms

January 1994 to July 1999

- Senior Executive Assistant Manager – Rooms for Hyatt Resorts Hawaii.
- Managed the operations of this resort after hurricane recovery through record occupancy.
- Increased profits for five consecutive years.

- Maintained top guest service ratings of all Hyatt resorts.

#### Hyatt Regency St. John, U.S. Virgin Islands

Executive Assistant Manager - Rooms

January 1991 to January 1994

- Accomplished major financial and guest service turnaround of this 280 room resort.
- Successfully managed a diverse, multi-cultural work force.
- Began an extensive employee empowerment program.
- Achieved second highest Rooms profit among all Hyatt Resorts.

#### Hyatt Regency Waikoloa Resort & Spa

Assistant Rooms Executive/Executive Housekeeper - Public Areas

July 1988 to January 1991

- Pre-opening team.
- Hired and trained staff responsible for maintenance of this 62-acre, 13 restaurant 1,241 room resort.
- As Assistant Rooms Executive, responsible for all Front of House departments.

#### Grand Hyatt Washington, DC

Executive Housekeeper\ Public Area Housekeeper

April 1987 to July 1988

- Pre-opening team at this 900 room convention hotel.
- Maintained top ten Housekeeping ranking among all Hyatt hotels.
- Awarded Manager of the Quarter.

#### Hyatt Regency Maui Resort

February 1982 to April 1987

- Worked numerous Rooms Division management positions including Front Office, Hotel Assistant Manager, Housekeeping, Bell and Valet, and Security.
- Awarded Supervisor of the Quarter.
- Served as Maui United Way Chairperson for five years, 1982-1987.

### EDUCATION

Travel Industry Management (TIM School), University of Hawaii

- Emphasis: Hotel/Restaurant Management
- Graduated: December 1980

### PERSONAL

Birth date: November 28, 1958

Marital Status: Wife — Louella, Daughter - Courtney

Community Activities:

Monterey:

2008 President Elect Monterey County Hosp Assoc

Board of Dir, Work Force Investment Board

Board of Dir, Natl Steinbeck Center

Grand Cayman:

President, Cayman Island Tourism Association

Board Member, Chamber of Commerce Pension Plan

Board Member, Crimestoppers

Founding Mentor Cayman Initiative participant

### HOBBIES

Golf, music, exercise, water sports, reading.



## TOT Collections for Years 2005, 2006, 2007

Jurisdiction	2005	2006	2007	2007 increase over 2006 $\uparrow$
Monterey County	\$14,420,192	\$15,569,105	\$16,713,639	+7.35%
City of Monterey	\$13,940,920	\$14,628,787	\$15,620,340	+6.78%
Carmel-by-Sea	\$3,940,920	\$4,033,636	\$4,303,673	+8.68%
Pacific Grove	\$3,787,623	\$3,128,194	\$3,276,019	+4.73%
Seaside	\$2,957,857	\$2,143,272	\$2,283,528	+6.54%
Salinas	\$1,922,276	\$1,522,639	\$1,537,492	+0.98%
Marina	\$1,215,872	\$1,349,884	\$1,417,378	+5.00%
King City	\$246,520	\$274,938	\$297,576	+8.23%
Greenfield, Soledad, Gonzales	\$117,365	\$123,329	\$129,496	+4.98%
TOTALS	\$40,232,677	\$42,773,784	\$45,659,141	+5.95%

EXHIBIT 2

**PROOF OF SERVICE**  
(Code Civ. Proc. §§ 1013(a), 2015.5)

STATE OF CALIFORNIA            )  
  )  
COUNTY OF MONTEREY         )

I am a citizen of the United States and a resident of Monterey County. I am over the age of 18 years and not a party to the within entitled action; my business address is: 333 Salinas Street, Post Office Box 2510, Salinas, CA 93902-2510.

On the date below, I served the attached document(s) entitled: **TESTIMONY OF MARK BASTIS**, on the following named person(s) in said action at:

**SEE ATTACHED SERVICE LIST**

- ☐ by personal service on the above-named person(s) at the above stated address(es).
- ☒ by placing said copy(ies) in a sealed envelope(s), postage thereon fully prepaid, and placed for collection and processing for mailing following the business's ordinary practice with which I am readily familiar. On the same day correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service at Salinas, California, addressed as stated above.
- ☒ by electronic mail in PDF format from my electronic mail address of gmadeira@nheh.com, a true and correct copy of the above-named document as follows: eau@cpuc.ca.gov, rbaiocchi@gotsky.com, bobmck@mbay.net, info@mcha.net, christopher.keifer@noaa.gov, dave@laredolaw.net, meurer@ci.monterey.ca.us, hbm@carmellaw.com, jrubin@diepenbrock.com, jminton@pcl.org, larrysilver@earthlink.net, lgwill@dcn.davis.ca.us, mjatty@sbcglobal.net, michael@rri.org, rsato@waterboards.ca.gov, RMcGlothlin@BHFS.com, TJamison@FentonKeller.com, llowrey@nheh.com.
- ☐ by causing to be transmitted a true copy thereof to the above-named recipient via the following facsimile transmission telephone number ("Fax"): \_\_\_\_\_, and no interruption of transmission was reported.

I declare, under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on July 9, 2008, at Salinas, California.

  
Gina Madeira

CALIFORNIA AMERICAN WATER CEASE AND DESIST ORDER

JULY 23, 2008 HEARING

SERVICE LIST

Service by Electronic Mail:

California American Water  
Jon D. Rubin  
Diepenbrock Harrison  
400 Capitol Mall, Suite 1800  
Sacramento, CA 95814  
(916) 492-5000  
[jrubin@diepenbrock.com](mailto:jrubin@diepenbrock.com)

State Water Resources Control Board  
Reed Sato  
Water Rights Prosecution Team  
1001 I Street  
Sacramento, CA 95814  
(916) 341-5889  
[rsato@waterboards.ca.gov](mailto:rsato@waterboards.ca.gov)

Public Trust Alliance  
Michael Warburton  
Resource Renewal Institute  
Room 290, Building D  
Fort Mason Center  
San Francisco, CA 94123  
[Michael@arri.org](mailto:Michael@arri.org)

Sierra Club -- Ventana Chapter  
Laurens Silver  
California Environmental Law Project  
P.O. Box 667  
Mill Valley, CA 94942  
(415) 383-7734  
[larrysilver@earthlink.net](mailto:larrysilver@earthlink.net)  
[lawill@den.davis.ca.us](mailto:lawill@den.davis.ca.us)

Carmel River Steelhead Association  
Michael B. Jackson  
P.O. Box 207  
Quincy, CA 95971  
(530) 283-1007  
[mjatty@sbcglobal.net](mailto:mjatty@sbcglobal.net)

Calif. Sportfishing Protection Alliance  
Michael B. Jackson  
P.O. Box 207  
Quincy, CA 95971  
(530) 283-1007  
[mjatty@sbcglobal.net](mailto:mjatty@sbcglobal.net)

City of Seaside  
Russell M. McGlothlin  
Brownstein, Hyatt, Farber, Schreck  
21 East Carrillo Street  
Santa Barbara, CA 93101  
(805) 963-7000  
[RMcGlothlin@BHFS.com](mailto:RMcGlothlin@BHFS.com)

The Seaside Basin Watermaster  
Russell M. McGlothlin  
Brownstein, Hyatt, Farber, Schreck  
21 East Carrillo Street  
Santa Barbara, CA 93101  
(805) 963-7000  
[RMcGlothlin@BHFS.com](mailto:RMcGlothlin@BHFS.com)

Monterey Peninsula Water Management  
District  
David C. Laredo  
De Lay & Laredo  
606 Forest Avenue  
Pacific Grove, CA 93950  
(831) 646-1502  
[dave@laredolaw.net](mailto:dave@laredolaw.net)

City of Sand City  
James G. Heisinger, Jr.  
Heisinger, Buck & Morris  
P.O. Box 5427  
Carmel, CA 93921  
(831) 624-3891  
[hbm@carmellaw.com](mailto:hbm@carmellaw.com)

Pebble Beach Company  
Thomas H. Jamison  
Fenton & Keller  
P.O. Box 791  
Monterey, CA 93942-0791  
(831) 373-1241  
[TJamison@FentonKeller.com](mailto:TJamison@FentonKeller.com)

City of Monterey  
Fred Meurer, City Manager  
Colton Hall  
Monterey, CA 93940  
(831) 646-3886  
[meurer@ci.monterey.ca.us](mailto:meurer@ci.monterey.ca.us)

Monterey County Hospitality Association  
Bob McKenzie  
P.O. Box 223542  
Carmel, CA 93922  
(831) 626-8636  
[info@mecha.net](mailto:info@mecha.net)  
[bobmck@mbay.net](mailto:bobmck@mbay.net)

California Salmon and Steelhead Association  
Bob Baiocchi  
P.O. Box 1790  
Graceland, CA 96103  
(530) 836-1115  
[rbaiocchi@gotsky.com](mailto:rbaiocchi@gotsky.com)

Planning and Conservation League  
Jonas Minton  
1107 9<sup>th</sup> Street, Suite 360  
Sacramento, CA 95814  
(916) 719-4049  
[jminton@pcl.org](mailto:jminton@pcl.org)

National Marine Fisheries Service  
Christopher Keifer  
501 W. Ocean Blvd., Suite 4470  
Long Beach, CA 90802  
(562) 950-4076  
[christopher.keifer@noaa.gov](mailto:christopher.keifer@noaa.gov)

Division of Ratepayer Advocates  
Andrew Ulmer  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-2056  
[au@epuc.ca.gov](mailto:au@epuc.ca.gov)

Monterey County Hospitality Association  
Lloyd W. Lowrey, Jr.  
Noland, Hamerly, Etienne & Hoss  
333 Salinas Street  
Post Office Box 2510  
Salinas, California 93902  
(831) 424-1414  
[llorey@nheh.com](mailto:llorey@nheh.com)

Service by U.S. Mail:

City of Carmel-by-the-Sea  
Donald G. Freeman  
P.O. Box CC  
Carmel-by-the-Sea, CA 93921  
(831) 624-5339 EXT. 11